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THE SPRATLY ISLANDS ISSUE: STRATEGIC INTERESTS AND OPTIONS

by

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A paper submitted to the faculty of the Naval War College in partial satisfaction of the requirements of the Department of Operations.

The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

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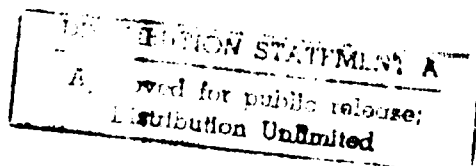
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<p>THE ISSUE OF THE SOVEREIGNTY DISPUTE OVER THE STRATEGICALLY IMPORTANT SPRATLY ARCHIPELAGO IS ANALYZED WITH REFERENCE TO THE BACKGROUND OF THE DISPUTE, THE STRATEGIC VALUE OF THE ISLANDS TO REGIONAL NATIONS AND THE U.S., AND THE POTENTIAL FOR MILITARY CONFLICT AS A MEANS OF SETTLING THE DISPUTE. THIS PAPER CONCLUDES THAT THE U.S. HAS SUFFICIENT INTEREST IN THE OUTCOME TO WARRANT THE APPLICATION OF LIMITED MILITARY FORCE TO ENCOURAGE A SOLUTION FAVORABLE TO U.S. AND ALLIED STRATEGIC CONCERNS. IT ALSO SUGGESTS AN APPROACH FOR THE APPLICATION OF U.S. MILITARY FORCE.</p>					
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Abstract of

THE SPRATLY ISLANDS ISSUE: STRATEGIC INTERESTS AND OPTIONS

The issue of the sovereignty dispute over the strategically important Spratly archipelago is analyzed with reference to the background of the dispute, the strategic value of the islands to regional nations and the U.S., and the potential for military conflict as a means of settling the dispute. This paper concludes that the U.S. has sufficient interest in the outcome of the dispute to warrant the application of limited military force to encourage a solution favorable to U.S. and allied strategic concerns. It also suggests an approach for the application of U.S. military force.

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THE SPRATLY ISLANDS ISSUE: STRATEGIC INTERESTS AND OPTIONS

I. INTRODUCTION

The Spratly archipelago consists of more than 100 small islands, reefs, and atolls scattered over an area measuring 500 miles by 560 miles in the southern part of the South China Sea. The aggregate land mass of the islands is not more than two square miles and less than half of them are habitable. Though seemingly of little importance in the hierarchy of U.S. global strategic interests, these islands have acquired a significance far out of proportion to their size and intrinsic economic value. Indeed, in a recent interview, the U.S. Commander in Chief, Pacific, identified the Spratlys as one of the top three flash points for potential conflict in his extensive area of responsibility.¹ The prominence of the Spratlys issue for U.S. strategic thinkers and for Western Pacific nations can be attributed to the interplay of several factors: ownership of all or part of the archipelago is hotly contested by five countries; the islands are located astride sea lanes that are vital to the interests of the nations directly involved in the ownership dispute and to the interests of nations not directly involved; the seas and sea bed around the islands are rich in resources; and, possession of the islands could be the basis of extensive maritime territorial claims.

This paper examines the factors surrounding the Spratlys dispute, concludes that the U.S. has a strategic interest in the outcome of the dispute, and proposes options for consideration by operational planners.

II. THE SOVEREIGNTY DISPUTE

Five nations claim sovereignty over all or part of the Spratly archipelago: China, Taiwan, Vietnam, the Philippines, and Malaysia. China, Taiwan, and Vietnam claim all of the islands. The Philippines claim all of the islands except a few in the southwest corner of the archipelago and have named their claim Kalayaan (Freedomland). Malaysia claims several islands in the southern portion of the archipelago based on the extent of its continental shelf. Appendix I depicts the overlapping claim lines of the rival nations.

The prospect of a negotiated settlement of the sovereignty dispute is virtually nil. Although the Philippines and Malaysia have occasionally indicated a desire to discuss a settlement, none of the other claimants have shown any real willingness to settle the dispute at the bargaining table. China, in particular, has consistently and adamantly proclaimed that its sovereignty over the islands is absolute and nonnegotiable.

China's claim to the Spratlys is essentially irredentist in nature and is based on historical evidence dating at least as far back as the Sung dynasty (10th to 13th century A.D.). From that period forward, China was periodically active as a naval power in the region. A frequently quoted example is that of the Chinese Admiral Zheng He who, during the period 1405 - 1433, led seven large naval expeditions traversing the South China Sea enroute to landfalls as far distant as the Red Sea and the east coast of Africa. The fleets assembled for these expeditions are estimated to have been as

large as 300 ships and 30,000 people.² During these voyages, Zheng He surveyed the Spratlys and artifacts from his visits form part of the basis for China's claims to the islands. Most analysts who have studied the legitimacy of rival claims to the islands have concluded that China has the strongest legal and historical bases for its case.

In contrast to China's longstanding historical association with the islands, the other claimants are relative newcomers. The primary basis of Vietnam's claim is French annexation of the Spratlys in 1933.³ The Philippine claim - formally announced in 1971 - can be traced to the "discovery" and colonization of some of the islands by a Filipino private citizen in 1956. The Malaysian claim surfaced in 1979 as that country incorporated several of the islands as part of its continental shelf.

III. STRATEGIC INTERESTS OF REGIONAL NATIONS

As is the case with most aspects of the Spratlys issue, the question of the archipelago's strategic value is complex and consists of a number of interrelated factors.

The most obvious factor is the geographic location of the islands. Situated in the midst of what can only be described as a major intersection of international sea lanes, the islands have great importance for the economic well being of regional countries. The unimpeded flow of trade through the South China Sea is of vital and immediate importance to the nations in closest proximity to the Spratlys. The members of the Association of Southeast Asia Nations (ASEAN) - Indonesia, Thailand, Singapore, Malaysia, Brunei, and the

Philippines - surround the South China Sea and rely very heavily on trade among themselves and with other nations for their continued economic growth and sociopolitical stability. The viability of ASEAN also has benefits for the U.S and other nations with interests in the western Pacific. Since its founding in 1967, ASEAN has had remarkable success in overcoming the problems related to the wide diversity of cultures, religions, and ethnic backgrounds that characterize that part of the world. Consequently, ASEAN serves as a model of regional cooperation and has capitalized on its successes to play an important stabilizing role in Southeast Asia.

The security of the sea lanes near the Spratlys is also of major importance to China, Taiwan, Japan, Korea, and the U.S. - all of whom rely on free access to the Straits of Malacca. Without assured access to the straits, the vital trade link between the Pacific and Indian Oceans would be lengthened substantially by forcing a more circuitous routing of shipping. Although commonly thought of as a continental rather than a maritime power, China has the world's fourth largest merchant fleet with more than 1,400 vessels. Due to the liberalization of trade and economic policies - particularly along its southern coast - China's economy is expected to grow significantly over the next 10 to 20 years. Consequently, it is increasingly interested in safeguarding and securing access to the sea lanes in the South China Sea.

Aside from their geostrategic value, the seas and sea bed surrounding the islands are rich in natural resources. For centuries, the archipelago has been a productive fishing ground and a source of guano for use in fertilizing crops. More recently, the

oil, gas, and mineral resources of the Spratlys have come to the fore as major issues. The total potential of the South China Sea as a source of oil and gas is not fully known. This is due, presumably, to secrecy imposed by the nations involved in exploration and to the fact that exploration has been hindered by the volatile nature of the territorial dispute. Nevertheless, most experts agree that there are sizable reserves in the area with some estimating the potential to be comparable with the North Sea discoveries.⁴

The importance of access to these resources is considerable, particularly since the rate of growth of energy consumption among developing nations is projected to be greater than that of developed nations.⁵ The loss of the lucrative oil fields to the north of Sarawak and Sabah would be a serious blow to the economies of several regional nations. For example, in 1985 alone, Brunei, Malaysia, and Indonesia extracted 100 million tons of oil from those offshore fields.⁶ Consequently, these nations must view with alarm the fact that China's claim line cuts across a large portion of the fields.

The oil and gas potential of the South China Sea is of no less importance to the Chinese. Overpopulated and relatively poor in natural resources, China needs these reserves as fuel for its own growing industry as well as for the hard currency they can bring in. As China's onshore oil production is diminishing rapidly, offshore oil in the disputed areas of the South China Sea is becoming increasingly important in China's calculation of the value of the Spratlys.⁷

In addition to gas and oil, the South China Sea is known to hold a rich concentration of manganese nodules that will be of great value

once the technology to harvest them efficiently becomes available.⁸

IV. CHINA AND THE POTENTIAL FOR CONFLICT OVER THE SPRATLYS

As the predominant regional military power, and in view of its unyielding attitude toward its rights in the Spratlys, China is considered by most analysts to be the most likely instigator of a direct military confrontation over the islands. Among all the claimants to the islands, China has been the only nation to use offensive military force to back up its claims. The other claimants have been content to rely on shows of force and the placement of defensive garrisons on the islands they claim. The first use of Chinese force occurred in the Paracels - a group of islands located between the Spratlys and Hainan. In 1974, China defeated South Vietnamese forces in a series of land and sea engagements and ousted them from the islands. China has been the sole occupant of the Paracels since then and has made improvements to the islands' military infrastructure.

Despite China's repeated claims to the islands and its strong warnings against foreign intrusion on its sovereign territory, its offensive in the Paracels took the Vietnamese, as well as the rest of the world, by surprise. U.S. reaction to the Paracels operation was carefully neutral - apparently in order to avoid complicating its developing entente with China. China's second use of force occurred in 1988. As in 1974, the conflict occurred with little warning and was directed against Vietnamese forces. In this operation, Chinese ships sank three Vietnamese naval vessels and China gained its first

foothold in the Spratlys by occupying Fiery Cross reef in the southwest sector of the archipelago. Superpower reaction to this event was again neutral. The U.S. was not interested in criticizing Chinese actions against the communist government of Vietnam and the Soviets were presumably not willing to jeopardize their newly improved relations with China.

Since 1988, the nations competing for the islands have tried unsuccessfully to defuse the sovereignty debate while simultaneously taking steps to consolidate their rights to the islands. In July, 1991, the claimants met in Indonesia to discuss the future of the Spratlys. The result was an agreement by all the rival nations - including China - to avoid the use of force in settling the dispute. However, the fact that this was an informal conference, and that the agreements reached were not legally binding, rendered the resolution essentially meaningless. In fact, China has already abrogated the spirit, if not the letter, of the agreement. In February, 1992, the Chinese parliament took the unprecedented step of passing a law claiming the Spratlys and Paracels, along with several islands in the East China Sea. The law reserves China's right to use military force to prevent violations of territorial waters around the islands by foreign warships and research vessels and stipulates that China's claim includes the air space above, as well as the seas around, the islands.⁹ The unexpected passage of this law might simply be a logical step to codify China's long standing claim to the islands. On the other hand, it may signal a hardening of China's resolve to enforce its claims and rights over the islands.

Against this background of negotiations and political

maneuvering, the other claimants have taken steps to strengthen their hold in the Spratlys. The Philippines continue to occupy six islands in the northern Spratlys with about 75 troops. Vietnam maintains sizable garrisons on the islands it claims and has demonstrated a willingness to fire on intruders. Malaysia has a commando unit on Swallow Reef and has improved its defenses there by installing artillery and building a harbor for gunboats.¹⁰ Taiwan has maintained a garrison on Itu Aba - the archipelago's largest island - since 1956.

In view of these recent developments, the current situation in the Spratlys can be described as one of diplomatic deadlock and tense confrontation. Contributing to the tension is the fact that several important questions about China's intentions remain unanswered and continue to be the subjects of much debate.

China and the maritime regime. The first question has to do with China's policy regarding maritime territories and the regime it intends to establish if it moves into the Spratlys in force. This is important because it has a direct bearing on freedom of navigation in the South China Sea and on access to natural resources.

To date, China has maintained a "studied vagueness"¹¹ in its stand on key elements of the Law of the Sea. Although China adheres to the 12 nautical mile limit for territorial seas provided in the Convention on the Law of the Sea, it has not made clear its position on exclusive economic zones (EEZs) or its interpretation of the archipelagic principle. In this regard, it is interesting to note that China supports the right of coastal states to declare EEZs, but

has not yet declared its own.¹² Although there are a number of possible explanations for this (including preoccupation with other matters or controversy over the issue within the Chinese government), the most plausible explanation appears to be that China does not wish to commit itself until it is in a position to enforce its maritime regime in areas such as the Spratlys by virtue of physical possession. If true, this suggests that China intends to impose a wider and more exclusive maritime regime than strict compliance with the Law of the Sea would allow. Indeed, in its law of February 1992 previously discussed, China explicitly restricts the right of innocent passage in its territorial waters by prohibiting intrusion of foreign warships and research vessels without prior permission. Another clue to China's intentions can be found in a 1958 declaration on territorial seas. Although China is a signatory to the 1982 Law of the Sea Convention, the 1958 declaration remains the clearest, least ambiguous statement that China has made on the issue of maritime territory. In this declaration, China claims its 12 mile territorial seas (including those of the offshore islands such as the Spratlys) are defined by baselines linking the outermost islands in each group. An approach in consonance with the Law of the Sea - especially in view of the widely scattered nature of the Spratlys - would be to encircle each island or closely joined subgroup of islands with individual 12 mile territorial seas. Instead, since China has never modified the 1958 declaration, it appears that it intends to devise a means of surrounding the entire archipelago with territorial waters encompassing most of the southern South China Sea.

By doing so, China would be in violation of the commonly accepted rule that only archipelagic nations (e.g., the Philippines) may declare an archipelagic maritime regime.

If China intends to claim a large part of the South China as territorial waters, and enforces its restrictive policy on the right of innocent passage, the impact on all nations with an interest in freedom of navigation in the region will be very serious. It could effectively prevent the U.S. and other nations from moving naval forces to and from the straits of Malacca and provide a precedent for threatening selective restrictions on commercial shipping.

The question of China's intent regarding establishment of EEZs is also troubling to regional nations. The Convention on the Law of the Sea states that "Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf".¹³ Most, if not all, of the Spratly islands fall into this category. Nevertheless, China has consistently claimed the seas and sea beds around the islands without specifying the extent or nature of the jurisdiction it intends to exercise. Imposition of a 200 mile EEZ drawn from a baseline linking the outermost Spratlys, together with a similar EEZ around the Paracels, would put China in control of virtually all the resources of the South China Sea. Since such a large EEZ would impinge upon the legitimate EEZs (and in some cases upon the contiguous and territorial seas) of other regional nations, it seems unlikely that China intends to rigidly enforce such a claim. It is more likely that China would prefer to negotiate a less broad EEZ, but one that would still favor its interests over

those of the other regional nations. Whatever its intentions are, it seems that China is intent upon establishing a maritime regime that will not be to the liking of any of the nations with economic or security interests in the South China Sea.

Chinese military intentions and capabilities. In 1974 and 1988 China showed a willingness and an ability to use military force on a limited scale to enforce its claims in the South China Sea. The question remains, however, as to whether China has the intention of expanding the use of force to settle the Spratlys issue and whether it has - or will soon have - the means of doing so.

Forecasting any nation's military intentions is, of course, risky. But there are indications that China is considering the option of military force to gain possession of the Spratlys. At the higher planning levels, China has developed a three phase program to improve its naval forces and capabilities. The first phase is expected to be complete by the end of this decade and is intended to give the People's Liberation Army Navy (PLAN) the ability to "develop rapid response task forces capable of attack and deterrence outside China's territorial waters".¹⁴ The second and third phases will further enhance the PLAN until it has achieved a major sea power status. Of the PLAN's assigned missions under this program, the first and "most likely form of China's engagement in the near future"¹⁵ is that of capturing, occupying, and defending islands. Although the PLAN's share of the Chinese defense budget has been a matter of debate among analysts, recent developments suggest that those who predicted an increase in naval expenditures were correct.

In April, 1992, the Chinese disclosed that they intend to buy or order an aircraft carrier in the 30,000 ton class.¹⁶ In fact, the Chinese have expressed an interest in purchasing the former Soviet carrier Varyag.¹⁷ Currently, China lacks the ability to effectively project tactical air power to distant locations such as the Spratlys. Possession of an aircraft carrier will remedy this weakness. Pending the availability of carrier based aircraft, China is attempting to increase the combat range of its landbased fighter-bombers by installing inflight refueling equipment in some of its H-6 (Badger) medium bombers. In its fleet of surface combatants, the PLAN is addressing another weakness in its operational capabilities by installing modern air defense missile systems on several new or improved classes of frigates and destroyers.¹⁸

Beginning in the late 1970s, China began a substantial buildup of its amphibious forces. The PLAN now has the ability to transport a brigade size force and has assigned the majority of its amphibious forces to the South Sea Fleet rather than to the East or North Sea Fleet.

Recent PLAN deployments and exercise patterns are a further indication of Chinese military interest in the Spratlys. Two major amphibious exercises were conducted in the South China Sea in 1989.¹⁹ In 1990, the PLA dropped 600 paratroops on an island in the Paracels, causing speculation that the PLA's airborne troops, as well as PLAN marines, are training for eventual seizure of the Spratlys.²⁰

A key issue in the debate about China's military intentions centers on the change in geopolitical conditions in the region. Despite recent improvements in its relations with Vietnam, China

would probably have few qualms about taking additional military actions against Vietnamese forces garrisoned on the Spratlys. Such a move would entail little risk of escalation due to Vietnam's isolation from the international community. The use of military force to expel Filipino and Malaysian troops from the Spratlys is another matter. China's past reluctance to move against the Philippines and Malaysia has been explained in two different, but related, theories. One theory contends that China needed the support of the Philippines and Malaysia to form a regional united front against Soviet and Vietnamese hegemonism.²¹ A second explanation is that China has more recently needed the support of the ASEAN states during the dispute with Vietnam over the Cambodian war.²² With the dissolution of the Soviet Union and the withdrawal of its naval forces from the South China Sea, the apparent end of the Cambodian war, and the increasing weakness and isolation of Vietnam, some of the conditions restraining China from confronting the Philippines and Malaysia are no longer relevant. The only remaining restraint, it would appear, is the U.S. and its willingness to preserve regional stability. In this regard, the U.S. withdrawal from its bases in the Philippines might reinforce any growing perception in China that it is entering a period when it has an unprecedented freedom of action in the region.

V. U.S. STRATEGIC INTERESTS

In the aftermath of the cold war, the U.S. reassessed and revised its national military strategy to account for the fundamental

change in the nature of the threat to its national interests. In place of a strategy that emphasized containment of communism and deterrence of Soviet aggression, the new strategy concentrates on the more diverse, regional, and ambiguous nature of potential future challenges to international peace and stability. This strategy explicitly acknowledges U.S. acceptance of its role as the only military power capable of acting to "mediate economic and social strife and to deter regional aggressors".²³ The strategy also states that the U.S. prefers to act with the assistance of allies, but will act unilaterally if necessary. By virtue of this strategy, and statements made by U.S. political and military leaders, the U.S. has effectively made itself the guarantor of regional stability in areas that are important to its national interests. The problem, then, is to determine the extent and importance of U.S. interests in the stability of the South China Sea region.

When U.S. strategists examine the potential effects of Chinese military action in the Spratlys, a decision as to whether the Islands are "vital" to U.S. national interests can not be the only criterion upon which to base a response. The U.S. must also take into account the criticality of the islands to the strategic interests of Western Pacific nations and the impact that Chinese occupation of the islands will have on the stability of the entire region. Aside from the strategic importance of the islands themselves, Chinese aggression in the islands will confirm deep seated regional fears about Chinese hegemonistic ambitions. Moreover, given the cultural, ethnic, and religious diversity of the region, the natural tendency of relationships among Western Pacific nations is toward non-cohesion.

Consequently, in the absence of a multinational defense structure in the Western Pacific, ASEAN and other nations have turned to the U.S. as the only power capable of ensuring regional stability. As a result, the maintenance of U.S. credibility and influence in the region have come to depend on its willingness to defend the interests of the smaller nations against the ambitions of the larger ones. As one author writes: " The United States - and its Navy in particular - is still a welcome ally to the great majority [of regional nations], but it will be welcome as a military power only as long as it restrains any excessive Chinese, Indian, Soviet, or Japanese naval ambitions".²⁴ For this reason, if for no other, the U.S. cannot afford to remain uninvolved in a military conflict that threatens the stability of the region.

Aside from the importance of maintaining good relations with regional nations, the U.S. also has a direct interest in ensuring unimpeded transit of its naval vessels between the Pacific and the Indian Ocean. For example, loss of access to the South China Sea and the straits of Malacca would have a serious detrimental effect on U.S. ability to react quickly and effectively to a contingency in Southwest Asia. In view of China's restrictive attitude toward the maritime regime previously discussed, such an eventuality can not be ruled out.

Finally, as a by-product of acting to preserve regional stability, the U.S. stands to gain peripheral advantages. Probably the most important of these is the prevention of the possibility of a major Japanese rearmament effort. Since Japan regards secure sea lanes as essential to its vital interests, it might well be pushed

toward a major expansion of its naval forces if it perceives the U.S. as unwilling or unable to restrain the Chinese in the Spratlys. Such a growth in Japanese military strength would tend to destabilize the region by raising latent fears about Japan's ambitions.

VI. CONSIDERATIONS FOR OPERATIONAL PLANNERS

A review of U.S. military options in reaction to a conflict in the Spratlys highlights the difficulties inherent in trying to defend regional stability in a multipolar world - particularly if the destabilizing agent is a major power such as China. In the Spratlys, as in other potential trouble spots around the world, U.S. interests are great enough to warrant some degree of military reaction, but not great enough to warrant the risk of direct military conflict. In situations of this nature, military force is most useful as an adjunct to diplomatic and economic measures. The objective would be the application of sufficient military force to pressure the aggressor into adopting less destabilizing policies, while avoiding the risk of escalation and reassuring allies of our resolve.

It can be assumed that the use of force in these circumstances will be limited to self defense. That is, U.S. forces will not open fire unless directly threatened or attacked. It can also be assumed that the U.S. will normally not have the backing of an international coalition and strong UN support for its actions as was the case in the war against Iraq. In most of these cases, the issues will not be sufficiently clear cut and alarming to generate broadbased international military cooperation against the aggressor.

When planning responses to contingencies such as conflict in the Spratlys, a key decision point will be to determine precisely where U.S. and allied interests lie and to what extent these interests can be protected short of risking an all-out war.

By applying these assumptions to the Spratlys issue, it is possible to surmise some of the factors that planners will have to take into account when considering a U.S. reaction to conflict there.

Assuming there is advance warning of an impending invasion, there is probably little U.S. military forces can do to prevent or forestall a determined attack against some or all of the islands. Direct confrontation between U.S. and invading forces would carry a high risk of escalation. In any case, an invasion could easily occur with such little warning that there would be no chance for the U.S. to react until the conflict was well underway and the invading forces had succeeded in occupying key positions in the islands.

In this scenario, the primary objective of the U.S. and its allies would be to apply pressure on the Chinese government to ensure that its presence in the islands does not lead to the adoption of policies and actions injurious to the vital interests of the regional nations or the major interests of the U.S. To accomplish this, a form of coercive diplomacy appears to be the most effective option: specifically, the form of coercive diplomacy which is "catalytic" in nature. The principle behind the concept of catalytic coercive diplomacy is to "raise the temperature" in relations between the opposing parties in order to encourage compromise or compliance on the part of target government.²⁵ Catalytic coercive diplomacy is often characterized by a long term application of various types of

pressure - economic, military, and political - not all of which need be related directly to the dispute. For example, a variety of subtle and explicit economic pressures might be applied, simultaneously or sequentially, without announcing the direct linkage of these actions to the issue in question.

An important first step in the application of coercive diplomacy is to determine the focal point(s) of the effort and what results the effort can realistically be expected to achieve. In the case of the Spratlys, the major concerns of regional nations would be freedom of navigation and reasonable access to resources around the islands. The U.S. would be primarily concerned about preserving freedom of navigation with a secondary interest of supporting its allies' rights to natural resources. Since U.S. and regional concerns overlap, setting a coordinated diplomatic agenda is simplified.

Because of China's strong feelings about its sovereignty over the islands, withdrawal of its forces from the Spratlys would probably not be a reasonably achievable objective of the coercive diplomacy effort. Expulsion, in any case, would not be essential to ensure the preservation of regional and U.S. interests. Instead, the effort would seek to bring about a guarantee regarding China's imposition of a maritime regime acceptable to all other parties. It would also focus on encouraging formal, multinational negotiations on the Law of the Sea and other matters relating to joint exploitation of the region's maritime resources.

The U.S. military would have an important role to play within the overall framework of the diplomatic effort. A key component of the military effort would be the highly visible presence of naval

vessels to conduct freedom of navigation operations, convoy escort, and similar missions. Multinational naval exercises including units from ASEAN and other Pacific nations will be useful, but the delicate and complex nature of the diplomatic effort will probably mandate careful planning and unambiguous command relationships among the forces involved. The U.S. Army and Air Force could also play a role by conducting periodic, limited deployments for combined exercises with regional forces and to work on solving interoperability problems.

Since such an effort could last for months or even years, the persistence of the U.S. presence would be more important than its magnitude. Naval forces allocated to the effort would have to be large enough to be credible and sufficiently powerful to defend themselves against sudden, relatively small scale, attacks. Such forces, for example, would not necessarily have to include an aircraft carrier or amphibious units on a full time basis. However, occasional deployments of a carrier battlegroup or amphibious task force to the region would be useful for added emphasis - especially if the deployment of these units can be done in coordination with critical phases of diplomatic activity.

By taking this approach, the U.S. and its allies would not only have a clear military-diplomatic objective, but would place the emphasis on aspects of the dispute with which other nations of the world could identify. Since most of the world's nations have an interest in freedom of maritime commerce and access to natural resources, U.S. defense of these principles would tend to encourage passive, if not active, international diplomatic support of its

effort. This approach also takes into account the fact that U.S. military resources are not unlimited. To maximize effectiveness and credibility, planning for an operation of this type should assume a long term commitment of U.S. forces in or near the South China Sea. Planners must consider the possibility that a second contingency of equal or greater importance might arise in another part of the world. Optimally, forces must be allocated from the start in such a way that other contingencies can be addressed without terminating or seriously undermining the efficacy of the Spratlys operation.

It could be argued that coercive diplomacy is an unsatisfactory approach to this problem because it does not guarantee a successful outcome in favor of the U.S. and its allies. But an underlying assumption in any use of this approach is that the target nation is dealing from a position of relative weakness and is unwilling to press its case past the brink of major military confrontation. It also assumes that the U.S. and its allies are acting in accordance with, and in defense of, accepted norms of international behavior and have the military, economic, and political strength to bring about an eventual solution that will protect their interests. For the foreseeable future, both these assumptions appear valid with respect to this case. Consequently, if carried out with vigor and persistence, this approach offers a strong prospect of success.

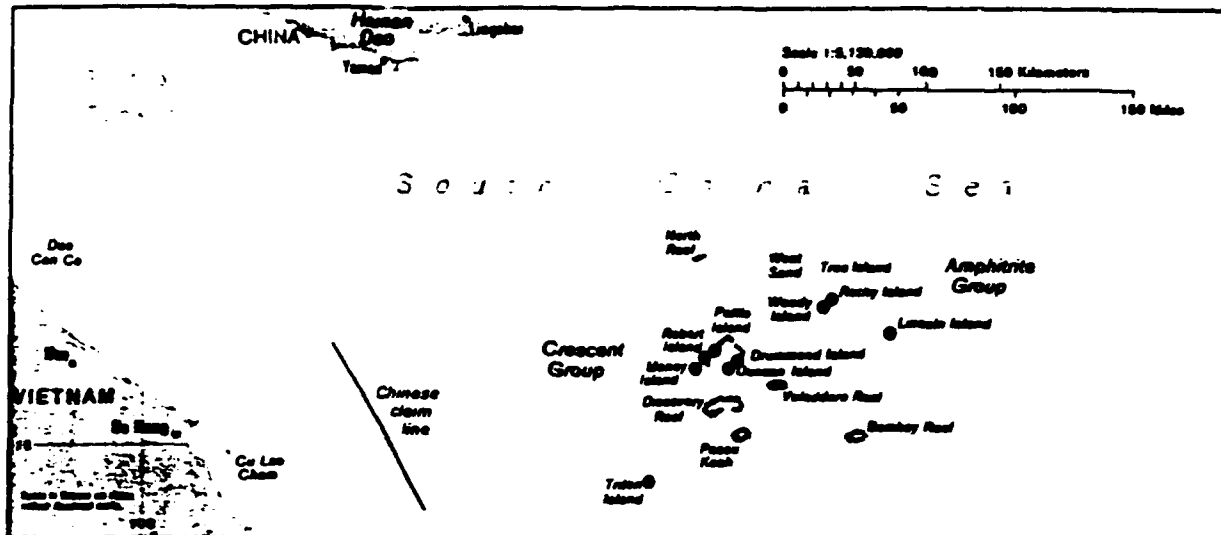
VII. CONCLUSIONS.

Although the Spratlys dispute has been simmering for decades, there is no indication that a peaceful solution is on the horizon.

Of all the rival claimants to the islands, China has been the most vociferous and unyielding in its approach to the problem. In its previous uses of force in the islands, China's actions appear to have been carefully calculated within the context of its relations with the two superpowers. Based on these events, it is clear that China does not rule out the use of military force as a practical means of enforcing its claims in the Spratlys. But it has used military force only when it believed the regional balance of power was at least temporarily in its favor. Recent developments, such as activities in the PLAN and the passage of the Territorial Sea Law in February 1992, suggest that China might be stiffening in its resolve to force a final settlement to the sovereignty dispute. If it sees another opportunity - as it did in 1974 and 1988 - it might well take action to expel the forces of all the other nations currently occupying the Spratlys. The appropriate U.S. response in such an eventuality will be the application of coercive diplomacy to ensure freedom of navigation in the South China Sea and to encourage binding negotiations on the issue of regional access to the natural resources of the archipelago.

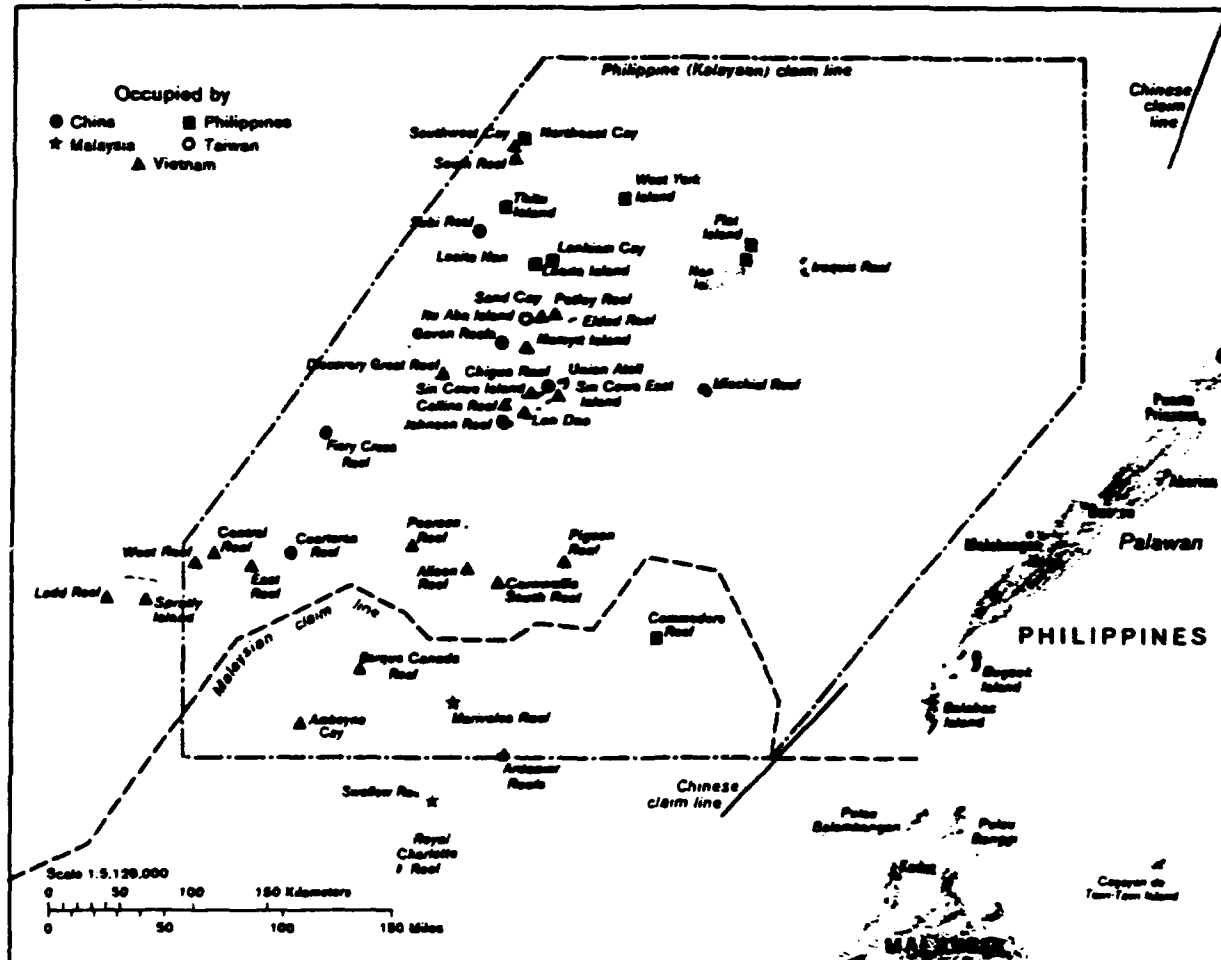
APPENDIX I

The Parcel Islands



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The Spratly Islands



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Notes

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